

Weathering a Financial Emergency

Sometimes, despite the best-laid plans, a financial crisis can happen. Here are some steps to help you get through and recover from a financial emergency.

Creditors

The first step is getting in touch with your creditors to see if alternate payment arrangements are possible.

- It may be possible to skip a monthly payment and add the payment to the back of the loan (such as with a car or mortgage payment).
- The creditor may also accept partial payments until you can get caught up on the debt. During bad economic climates, creditors may be more willing to field such requests. It can't hurt to ask.

Maintain a Budget

Budgeting is an important habit regardless of your financial status.

- By budgeting available funds, you can make the best use of your resources.
- Prioritize your most important financial obligations such as food, shelter and transportation first and items such as credit card payments last.
- You may also want to suspend any automatic bill payments so you can control the timing of payments until you are on better financial footing.

Retirement Account Options

An often-overlooked resource is your retirement funds.

- While borrowing or withdrawing from this type of account is not optimal, it may provide an important lifeline in case of an emergency.
- Keep in mind that there may be tax penalties involved.

Additional Help

Local charities may be of assistance and listings can easily be found online. If you belong to a church, you may be able to receive assistance directly from its charity services. If your church is unable to help directly, people there may be a helpful resource in referring you to other active charities in your area.

- Veterans should check with their branch of service. Ask about applying for emergency financial relief.
- Finally, your local social services department may also be an emergency financial resource to explore and can help you understand which types of support you may be eligible to receive.

Here when you need us.

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